Supreme Court, U.S.
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No. 03-869

IN THE
Supreme Court of the United States

ACCUSCAN, INC.,

Petitioner,

v.

XEROX CORPORATION,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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January 14, 2004

QUESTION PRESENTED

Should the Court overturn the non-precedential, unpublished decision below where the Federal Circuit did not apply a "complete bar" approach to the doctrine of prosecution history estoppel, but instead, applied uniform and well-established precedent that a patentee cannot use the doctrine of equivalents to capture subject matter that was specifically surrendered to the Patent and Trademark Office in order to obtain allowance of its claims?

PARTIES TO THE PROCEEDING BELOW

The parties are Petitioner, AccuScan, Inc., and Respondent, Xerox Corporation.

Xerox Corporation identifies the following company as a publicly held company that owns 10 percent or more of the stock of Xerox: State Street Bank and Trust Co., a subsidiary of State Street Corporation, 225 Franklin Street, Boston, Mass. 02110.

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STATEMENT OF THE CASE

I. INTRODUCTION

In *AccuScan v. Xerox*, the Federal Circuit prevented AccuScan from arguing that its claims mean one thing during the process of procuring a patent, but yet another during litigation. This decision was supported—and indeed compelled—by the well-established precedent of this Court and the Federal Circuit. *See e.g., Warner-Jenkinson Co. v. Hilton Davis Chem. Co.,* 520 U.S. 17, 30-34 (1997); *Texas Instruments, Inc. v. United States Int'l Trade Comm'n,* 988 F.2d 1165, 1173 (Fed. Cir. 1993).

Nevertheless, AccuScan argues that the Federal Circuit's decision in the instant case constitutes an attempt to circumvent this Court's decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.,* 535 U.S. 722 (2002), which rejected the "complete bar" approach to asserting the doctrine of equivalents. AccuScan argues that based on arguments it made during prosecution, the Federal Circuit applied an "absolute bar to the application of the doctrine of equivalents." (AccuScan Pet. at 22.) AccuScan further characterizes the decision below as "eliminat[ing] the doctrine of equivalents," and "foreclos[ing] the doctrine of equivalents, totally and unrebuttably." (AccuScan Pet. at i, 17.) As with its first petition for certiorari in this case, AccuScan makes such arguments in an attempt to bootstrap the instant case to this Court's decision in *Festo*.

But, AccuScan's characterization of the Federal Circuit's decision is simply wrong. In the instant case, the Federal Circuit specifically examined the prosecution of the application that led to AccuScan's U.S. Patent No. 3,952,144 ("the '144 patent"), and found that in order to overcome a

prior art reference cited by the Examiner, AccuScan unambiguously argued that its claims did *not* cover certain subject matter. The Federal Circuit then found that the undisputed evidentiary record demonstrated that the four accused Xerox devices practiced the very subject matter that AccuScan disavowed in order to obtain allowance of its claims. Accordingly, based on "well-settled" precedent, the Federal Circuit held that AccuScan could not use the doctrine of equivalents to capture the very subject matter it surrendered during prosecution.

This decision is entirely consistent with this Court's decision in *Festo,* and represents the application of the well-established precedent of the Federal Circuit to a garden-variety patent case. Accordingly, this Court should preserve its limited judicial resources and deny certiorari to the questions presented.

II. THE TECHNOLOGY UNDERLYING ACCUSCAN'S '144 PATENT

In order to fully understand the Federal Circuit's opinion, it is useful to understand the technology at issue. The technology claimed by AccuScan's '144 patent "calibrates" the scanning portion of a facsimile machine. In transmitting the contents of a document to another facsimile machine, the facsimile machine described by the '144 patent specification scans a document with a beam of light. A photosensor senses the light reflected off the document and generates an electrical signal—designated "a video input signal"— that varies according to the amount of reflected light. This video input signal (referred to as "V_{in}"), however, is subject to undesirable "voltage offsets" and "gain

variations" that reduce the accuracy of the image produced by the receiving facsimile machine.

To maintain the accuracy of the image sent to the receiving facsimile machine, the machine described by the '144 patent automatically "calibrates" the video input signal to eliminate these "voltage offsets" and "gain variations." The circuit responsible for carrying out the calibration of the video input signal is designated the "Automatic Background and Contrast Control unit" ("the ABC circuit").

The ABC circuit performs its task by measuring the input signal obtained from scans of known samples of black and white. Like finding North and South on a map before determining one's position, the ABC circuit uses the values obtained from these known samples of black and white to calibrate the video input signals obtained from a subsequent scan of a document.

To obtain the values for white and black, the ABC circuit scans a "calibration strip." The calibration strip has a black portion and a white portion. The ABC circuit obtains a black sample—designated V_b—from the black part of the calibration strip and obtains a white sample—designated V_w—from either the white part of the calibration strip or from the background of the document itself. The circuit stores these values during the entire scan of the document.

The ABC circuit then calibrates the video input signal using these white and black values. It does so by converting the video signal obtained from the scan of the document to values that are always—despite any voltage offsets or gain variations—between 1 and 0. The patent also discloses that the values between 1 and 0 can be multiplied by a

predetermined constant called a "scale factor" to obtain values between 0 and the scale factor.

According to claim 1 of the '144 patent, the claimed apparatus makes this conversion by obtaining "the difference in magnitude [between the] input signal and [the] first sample *divided* by the difference in magnitude [between the] first and second samples."[1] In the ABC circuit described by the '144 patent, the first sample is black and the second sample is white.

The operation of the ABC circuit can be best illustrated by assuming the following hypothetical values: the scan of the first or black sample (V_b) provided a value of 2 volts; the scan of the second or white sample (V_w) provided a value of 6 volts; and the scan of the video input signal (V_{in}) provided a value of 3 volts.

The ABC circuit subtracts the first sample from the video input signal (V_{in} -V_b) providing a value of 1 volt (3-2=1). It also subtracts the first sample from the second sample (V_w-V_b) providing a value of 4 volts (6-2=4). Next, it *divides*—utilizing a *"divide circuit"*— the 1 volt by the 4 volts (V_{in}-V_b/ V_w-V_b) to obtain a value of .25 (1/4=.25)—a value between 0 and 1. Finally, the ABC circuit multiples the value obtained by 10 (the scale factor) to obtain values between 0 and 10. Thus, in the above example, the final value for the calibrated video signal is 2.5 (10 x .25=2.5). In this way, the ABC circuit eliminates voltage offsets that distort the reproduced image received by the receiving facsimile machine.

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[1]The subject matter of claim 17 is substantially similar to claim 1, although presented in the format of a method claim.

III. ACCUSCAN SURRENDERED COVERAGE OF XEROX'S ACCUSED DEVICES DURING PROSECUTION TO DISTINGUISH OVER KRALLINGER

A. AccuScan Was Forced to Severely Limit Its Claims During Prosecution

Like the device described by the '144 patent, U.S. Patent No. 3,761,610 (referred to as "Krallinger") also disclosed a facsimile system that calibrates a video input signal using known samples of black and white. As set forth below, AccuScan was forced to drastically limit the scope of its claims to overcome this reference.

Krallinger calibrates a video input signal by obtaining a black sample from a "black band" that precedes each line of text of the document and by obtaining a white sample from the background of the document itself. The device then uses the black and white samples to calibrate the voltage of a video input signal so that it varies only between 0 for black signals to a predetermined constant (designated "V_r") for white signals. Like the scale factor described by the '144 patent, V_r represents the maximum value produced after calibration.

However, unlike the ABC circuit disclosed by the '144 patent, Krallinger *does not store a white sample that is held during the entire scan of the document.* Instead, Krallinger obtains the value for the white sample for each line of text of the document and immediately converts it into a "*gain value.*" (App. at 5.) This gain value is equal to the predetermined constant (V_r) divided by the difference between the white sample and the black sample (V_r/ V_w-V_b). It is the "gain value"—and not the white sample—that is

stored and *multiplied* by the difference between the video input signal and the value stored for the black sample (V_{in}-V_b). (App. at 5-6.)

Therefore, using the numbers set forth above, Krallinger would subtract the black value from the white value (V_w-V_b) to obtain the value 4 (6–2=4). Accordingly, the gain value (V_r/V_w-V_b) would be 2.5 (10/4 =2.5). The Krallinger device then *multiplies* the gain value (2.5) by the video input signal minus the value for the black sample (V_{in}-V_b or 3-2=1) to obtain the value 2.5 (2.5 x 1=2.5) for the normalized video signal—the exact same value produced by the claimed ABC circuit.

Moreover, as a consequence of *multiplying* the difference of the input signal and the black sample (V_{in}-V_b) by the gain value (V_r /V_w-V_b), the Krallinger device does not perform *division* during the scan of the document. (App. at 5-6.)

During prosecution, the Examiner rejected the claims of the '144 patent corresponding to the ones at issue as obvious over Krallinger. (App. at 2.) In its response, AccuScan pointed out that Krallinger does *not* store a white sample for the entire scan of the document, but instead, converts the value obtained for the white sample to a *gain value*. (App. at 5-6.) As claim 1 of the '144 patent requires three elements: (1) a means for storing a first sample, (2) a means for *storing a second sample*, and (3) a means for "*continually combining*" the input signal with the first and *second samples* to obtain a normalized or corrected signal, AccuScan argued that Krallinger did not fall within the scope of the '144 patent's claims because it did not store a second or white sample—element (2)—and thus could not possibly "continually" combine the input signal with the first and

second samples to obtain a normalized signal—element (3). (App. at 7-8, emphasis added.)[2]

More specifically, AccuScan argued that in the claimed ABC circuit, "[t]he black and white samples *are held stored throughout the complete scanning of the complete document page*" and then *"continuously combined"* to form the output signal. (App. at 4, emphasis added.) "It is clear, however, that *a white sample is not stored or utilized during this operating period* [by the Krallinger device]." (App. at 6, emphasis added.) "Krallinger . . . may show a device which stores a sample of the black value of the input signal *but [it does] not store a second sample of the white value of the input signal.*" (App. at 7, emphasis added.)

Therefore, because Krallinger did not actually store a second sample but only calculated "a gain value," AccuScan argued Krallinger had "no apparatus which is operable during the operating period for 'combining said input signal and said first and second samples . . . .'" (App. at 7, emphasis in original.) Indeed, to emphasize the claimed invention's differences over Krallinger, and contrary to AccuScan's assertions to this Court, AccuScan specifically amended claim 1 to indicate that claimed device "continually" combined the input signal with both the first and second samples. (App. at 7-8.)

In addition to not storing a second sample, AccuScan further distinguished Krallinger by arguing that while its claims required a *division operation* during the scan of the document, the input signal in *Krallinger* "is multiplied by the temporarily fixed gain [the gain value]." (App. at 5-6,

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[2]AccuScan distinguished claim 18, the claim corresponding to method claim 17, on essentially the same basis. (App. at 11.)

emphasis in original.) In Krallinger, "*no divide circuit* is utilized, the operation being merely that of setting the gain of the amplifier 24 [the gain value] and then using this fixed gain . . . as a multiplying . . . unit." (App. at 6, emphasis added.)

Thus, in order to obtain allowance of claims 1 and 17 of the '144 patent, AccuScan specifically argued that these claims did *not* cover circuits that (1) do not store and hold a white sample during the entire scan of the document, (2) do not continually combine the input signal with the black and white samples during the entire scan of the document, and (3) do not utilize a divide circuit during the scan of the document to calibrate the input signal.

B. Xerox's Accused Devices

The undisputed evidence in the record established that neither the DocuTech system nor the 5775 color copier utilized a *divide circuit* during the entire scan of the document to calibrate the input signal. (AccuScan Pet. App. C at 16a-17a.) Like Krallinger, the DocuTech system *multiplies—not divides*—the difference between the input and the black sample by a gain value to calibrate the signal during the scan of the document. (*Id.*) In the same way, the 5775 copier subtracts logarithms and does *not utilize a divide circuit.* (*Id.*)

Moreover, the undisputed evidence at trial also established that *all* of the four Xerox products AccuScan accused of infringement, the DocuTech Publishing System, the 5775 Color Copier, the 7017/20/21 facsimile machine, and the SA4 Scanner, (1) do not store and hold a white sample during the scan of the entire document, and (2) do not continually combine the input signal with the black and

white samples during the entire scan of the document. (AccuScan Pet. App. C at 20a.)

In particular, the expert testimony at trial demonstrated that rather than storing a white sample, the DocuTech system and the 5775 copier—like Krallinger—calculate a gain value before the scanning period and store and use this gain value to calibrate the video signal during the entire scan of the document. Likewise, the evidence demonstrated that the 7017/20/21 facsimile machine and the SA4 scanner also do not store a white sample, but instead store the difference between the black and white samples during the scan of the document.

IV. THE FEDERAL CIRCUIT'S DECISIONS

After a jury awarded AccuScan millions of dollars for Xerox's alleged infringement of the '144 patent, Xerox appealed to the Federal Circuit, arguing that the claims in question, as a matter of law, could not be interpreted to cover Xerox's accused devices based on the positions taken by AccuScan during prosecution. The Federal Circuit agreed.

In reaching its decision, the Federal Circuit applied well-established precedent and correctly held that "[a]rguments and amendments made during the prosecution of the '144 patent limit the interpretation of the claim terms so as to exclude any interpretation that was disclaimed during prosecution." (AccuScan Pet. App. C at 12a.)

Based on the statements discussed above, the court found that during prosecution, "AccuScan explicitly disclaimed coverage of any device performing the mathematical calculation yielding [the video output signal]

by something other than a divide circuit." (AccuScan Pet. App. at 16a.) The court then explained that it was "uncontested" that neither the DocuTech nor the 5775 copier utilize a divide circuit to calculate the video output signal. (*Id.* at 16a-17a.) In response to AccuScan's position that the mathematical operations performed by the DocuTech and 5775 copier constituted a form of division and were thus covered by the claim, the Federal Circuit explained that while AccuScan may be "mathematically correct" in the abstract, AccuScan "explicitly disclaimed such an interpretation during prosecution." (*Id.* at 17a.)

In addition to limiting AccuScan's claims to circuits that performed division during the scan of the document, the Federal Circuit further relied on the statements set forth above concerning the continual storage of a white sample. The Federal Circuit explained that during prosecution, "AccuScan distinguished the '144 patent over other devices which did not store a sample of the white signal," including devices (such as Krallinger) that "use the white sample signal to create a related value [a gain value] which is then stored." (*Id.* at 19a.) "[T]he prosecution history makes it clear that such a mathematically related value [a gain value] is not equivalent to the '144 patent's storage of a separate white sample signal." (*Id.*) The court further stated that "a distinguishing feature of the '144 patent is the continual storage and continuous use of the separately stored black and white samples throughout the scanning of an entire document." (*Id.*) Accordingly, the Federal Circuit held that the claims at issue "require continuous 'storing' of the [white sample] value in its pure form, and continuous 'combining' of this value throughout the scanning of the document." (*Id.* at 20a.)

The Federal Circuit then examined the evidentiary record and determined that "[t]he diagrams of the operation of the Xerox devices *created by AccuScan* make it clear that the four different Xerox product lines at issue only temporarily store the white sample . . . in its pure form." (*Id.*, emphasis added.) Moreover, the court found that there was "no dispute that this is a correct characterization of the accused Xerox products." (*Id.*) Thus, because the white sample is only stored temporarily, "it cannot be used continuously as required by the '144 patent claims . . . in light of the prosecution history." (*Id.*) Accordingly, the Federal Circuit held that there was no literal infringement as AccuScan's claims could not be interpreted to cover Xerox's accused devices.

Furthermore, based on this clear and unambiguous surrender of subject matter during prosecution, the Federal Circuit also held that AccuScan could not now use the doctrine of equivalents to capture such subject matter. (*Id.*) In reaching this decision, the Federal Circuit cited *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.,* 234 F.3d 558, 564 (Fed. Cir. 2000) and *Texas Instruments, Inc. v. United States Int'l Trade Comm'n,* 988 F.2d 1165, 1173 (Fed. Cir. 1993).

AccuScan then submitted a petition for a Writ of Certiorari to this Court. In its petition, AccuScan argued that that the Federal Circuit applied the complete bar approach to prosecution history estoppel set forth in *Festo,* 234 F.3d at 574-75. Xerox opposed AccuScan's petition, arguing that the Federal Circuit did not apply a complete bar, but merely cited *Festo* to provide a general background to the history and application of the doctrine of prosecution history estoppel.

Nevertheless, this Court vacated the Federal Circuit's decision and remanded the case for further consideration in light of this Court decision in *Festo*. (AccuScan Pet. App. B.)

On remand, the Federal Circuit (confirming the correctness of Xerox's position) stated that it had cited *Festo* merely "to provide a background of the various estoppels that may arise from actions or arguments made by the patentee during prosecution." (AccuScan Pet. App. A at 5a, n.1.) The Federal Circuit explained that its ruling was "necessitated by the *well-settled* doctrine of argument-based estoppel, which arises from the patentee's representations to the Patent and Trademark Office during prosecution." (*Id.*, emphasis added.) The Federal Circuit stated that the standard for applying argument-based estoppel is whether there has been a "clear and unmistakable surrender." (*Id.*) During prosecution, AccuScan "clearly and unmistakably disclaimed" (*Id.* at 3a) the subject matter practiced by Xerox's accused devices (*Id.* at 5a-6a). Accordingly, the Federal Circuit held that Xerox could not infringe the '144 patent under the doctrine of equivalents. (*Id.*) "[A] patentee cannot recapture through the doctrine of equivalents subject matter already precluded by the doctrine of prosecution disclaimer." (*Id.* at 6a.)

REASONS FOR DENYING THE WRIT

I. THE FEDERAL CIRCUIT DID NOT APPLY THE "COMPLETE BAR" APPROACH REJECTED BY *FESTO*

This Court should not expend its extremely limited resources by examining a routine patent infringement case

where the Federal Circuit applied its "well-settled" precedent. This precedent (decided both before and after this Court's decision in *Festo*) establishes that the doctrine of equivalents cannot be used to ensnare subject matter that the patentee specifically and unambiguously surrendered during prosecution by either argument or statement to obtain allowance of the claims at issue. *See e.g., Cordis Corp. v. Medtronic AVE, Inc.*, 339 F.3d 1352, 1363 (Fed. Cir. 2003)("To invoke argument-based estoppel, the prosecution history must evince a 'clear and unmistakable surrender of subject matter.'"); *Deering Precision Instruments, L.L.C. v. Vector Distribution Sys., Inc.*, 347 F.3d 1314, 1324 (Fed. Cir. 2003)("There are two distinct theories that fall under the penumbra of prosecution history estoppel—amendment-based estoppel and argument-based estoppel."); *Cortland Line Co. v. Orvis Co.*, 203 F.3d 1351, 1360 (Fed. Cir. 2000) (stating that the patentee's statements during prosecution "evince[] a clear and unmistakable surrender"); *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 981(Fed. Cir. 1999) (holding that "[a]rguments and amendments made to secure allowance of a claim . . . presumably give rise to prosecution history estoppel"); *Litton Sys., Inc. v. Honeywell, Inc.*, 140 F.3d 1449, 1462 (Fed. Cir. 1998)(explaining that "an applicant's arguments may constitute a clear an unmistakable surrender of subject matter" and "preclude recapture of that subject matter"); *Texas Instruments*, 988 F.2d at 1174 ("Unmistakable assertions made by the applicant to the Patent and Trademark Office . . . may operate to preclude the patentee from asserting equivalency."); *Haynes Int'l, Inc. v. Jessop Steel Co.*, 8 F.3d 1573, 1577-79 (Fed. Cir. 1993)(holding that prosecution history estoppel can arise from "arguments submitted to obtain the patent"); *Coleco Indus., Inc. v. United States Int'l Trade Comm'n*, 573 F.2d 1247 (C.C.P.A. 1978)(basing estoppel on arguments made to the PTO).

In an effort to overcome this well-established authority, AccuScan's two questions presented and corresponding arguments distort the Federal Circuit's opinion. AccuScan alleges that the Federal Circuit's application of the precedent of *argument*-based estoppel amounted to an "absolute bar to the application of the doctrine of equivalents." (AccuScan Pet. at 22.) AccuScan argues that the Federal Circuit did this in an effort to avoid the impact of the Supreme Court's decision in *Festo*, which addressed *amendment*-based estoppel. (*See e.g.*, AccuScan Pet. at i, 4-5, 16-17, 20, 22.) AccuScan contends that as a result of "distinguishing prior art that marginally relates to a single element of the claim," the Federal Circuit held that AccuScan surrendered "a range of subject matter broader than that represented by the prior art." (AccuScan Pet. at 20.) AccuScan further characterizes the decision below as "eliminat[ing] the doctrine of equivalents," and "foreclos[ing] the doctrine of equivalents, totally and unrebuttably." (AccuScan Pet. at i, 17.)

Yet, and contrary to AccuScan's assertions, the Federal Circuit's application of argument-based estoppel does not in any way implicate the "complete bar" approach rejected by this Court in *Festo*. Indeed, AccuScan's arguments grossly misrepresent the scope of the subject matter it surrendered during prosecution.

Under the complete bar approach rejected by this Court, once a narrowing amendment has been made to a claim element for reasons of patentability, there arises a "complete bar" to invoking the doctrine of equivalents to this claim element. *Festo,* 234 F.3d at 574-75. This "complete bar" is applied irrespective of "the breadth of the [Examiner's] rejection, the closeness of the prior art, the

manner of the applicant's remarks and amendments, or the nature of the technology." *Id.* at 600 (Michel, J., dissenting-in-part).

In the instant case, however, the Federal Circuit did *not* apply a "complete bar" to invoking the doctrine of equivalents, but instead, carefully considered the breadth of the Examiner's rejection, the closeness of the prior art, the nature of the applicant's remarks, and the nature of the technology. In so doing, the Federal Circuit specifically examined the prosecution of the application that led to AccuScan's '144 patent, and found that in order to overcome a prior art reference cited by the Examiner, AccuScan unambiguously argued that its claims did *not* cover certain subject matter. The Federal Circuit then found that the undisputed evidentiary record demonstrated that the four accused Xerox devices practiced the very subject matter that AccuScan disavowed in order to obtain allowance of its claims.

Accordingly, and far from applying a "complete bar," the Federal Circuit held that based on the clear and unambiguous surrender of the very subject matter that was practiced by Xerox's accused devices, AccuScan was estopped, under the doctrine of argument-based estoppel, from asserting that Xerox's accused devices infringed under the doctrine of equivalents.

The Federal Circuit's decision is entirely consistent with this Court's decision in *Festo.* In *Festo,* this Court explained that "a narrowing amendment" should not be deemed "to relinquish equivalents unforeseeable at the time of the amendment and beyond a fair interpretation of what was surrendered." 535 U.S. at 728. Likewise, this Court noted that equivalence should not be foreclosed "for aspects

of the invention that have only a peripheral relation to the reason the amendment was submitted." *Id.*

Here, multiplication by a reciprocal (as opposed to the use of a division circuit) and the storage of a gain valve (as opposed to the continual storage of a white sample) were entirely foreseeable equivalents as AccuScan *specifically argued during prosecution that its claims did not cover such subject matter.* (*See* pages 6-9, *supra.*) Likewise, and contrary to AccuScan's assertions at page 19 of its petition, the surrender of this subject matter was *essential to the allowance of AccuScan's claims. Id.*

That the application of argument-based estoppel does not implicate the complete bar approach rejected by this Court can be readily seen in *Schwing Gmbh v. Putzmeister Aktiengesellschaft,* 305 F.3d 1318, 1327 (Fed. Cir. 2002). There, the patentee made statements during prosecution to distinguish the claimed invention over prior art devices. *Id.* Nevertheless, the Federal Circuit did *not* apply argument-based estoppel because the applicant's remarks were "equivocal at best" and did not clearly indicate that the patentee surrendered the subject matter of the accused devices. *Id.* But, applying this Court's decision in *Festo,* the Federal Circuit *did* hold that an amendment made during prosecution foreclosed application of the doctrine of equivalents for one of the devices. *Id.* at 1329. Thus, *Schwing* demonstrates that the doctrine of argument-based estoppel is *not* broader than amendment-based estoppel and does not circumvent this Court's decision in *Festo.*

Accordingly, the Federal Circuit's decision in the instant case correctly applied its well-settled precedent concerning the doctrine of argument-based estoppel, did so in a way that is completely consistent with this Court's

decision in *Festo,* and did not in any way utilize the complete bar approach rejected by this Court. This Court should thus deny certiorari on AccuScan's two questions presented.

II. THIS COURT SHOULD NOT UPSET THE FEDERAL CIRCUIT'S WELL-SETTLED PRECEDENT CONCERNING THE USE OF ARGUMENT-BASED ESTOPPEL

This Court's Rule 14.1(a) specifically states that "[o]nly the questions set out in the petition, or fairly included therein, will be considered by the Court." Accordingly, "[t]he framing of the question presented has significant consequences" since the Court does not ordinarily "consider questions outside those presented in the petition for certiorari." *Yee v. City of Escondido,* 503 U.S. 519, 535 (1992); *Izumi Seimitsu Kogyo Kabushiki Kaisha v. U.S. Philips Corp.,* 510 U.S. 27, 31-32 (1993). Although this rule is prudential in nature, the Court will only disregard it "in the most exceptional cases." *Yee*, 503 U.S. at 535. There are two principal reasons for the rule: (1) it provides notice to the respondent of the grounds upon which the petitioner seeks certiorari; and (2) it assists the Court in granting certiorari in only those cases that enable the Court to "resolve particularly important questions." *Id.* at 535-36.

AccuScan states in its petition that the doctrine of argument-based estoppel was rejected by this Court in *Keystone Driller Co. v. Northwest Engineering Corp.,* 294 U.S. 42, 48 (1935), suggesting that this Court should overrule this doctrine in its entirety. (AccuScan Pet. at 17.) AccuScan, however, failed to specifically raise this issue in one of its questions presented to this Court. Instead, and as discussed above, AccuScan's two questions are incorrectly

premised upon the Federal Circuit's use of a complete bar approach to preclude the use of the doctrine of equivalents in the instant case.[3] Therefore, under this Court's Rule 14.1(a), the issue of whether to overrule the doctrine of argument-based estoppel in its entirety is not before this Court.

Moreover, even if this Court were to reach this issue, it should still not upset the well-settled precedent of the Federal Circuit. Since *Keystone Driller* was decided in 1935, this Court has repeatedly emphasized the tension between the doctrine of equivalents and the "definitional and public-notice function of the statutory claiming requirement." *Warner-Jenkinson*, 520 U.S. at 29; *Festo*, 535 U.S. at 730-22. In *Festo* itself, this Court explained that the "doctrine of equivalents renders the scope of patents less certain" and warned how the doctrine could result in competitors not engaging "in legitimate manufacturing" *Id.* at 732. This tension, however, is reduced by utilizing the prosecution history to limit the scope of equivalence. The prosecution history, consisting of correspondence, meetings, and other communications between the PTO and the applicant, is of "primary significance" in understanding and interpreting a patent's claims as it supplies the "*undisputed public record*" of proceedings in the PTO. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980 (Fed. Cir. 1995) (en banc)(emphasis added), *aff'd*, 517 U.S. 370 (1996). Using

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[3] It is not surprising that AccuScan did not include this argument in its questions presented as it also failed to raise this argument before the Federal Circuit. AccuScan's failure to raise this issue constitutes a waiver. *United States v. Lovasco*, 431 U.S. 783, 788 n. 7 (1977)(holding that absent exceptional circumstances, this Court will not review an argument not raised in the District Court or the Court of Appeals); *see also Becton Dickinson & Co. v. C.R. Bard, Inc.*, 922 F.2d 792, 800 (Fed. Cir. 1990)("[A]n issue not raised by an appellant in its opening brief . . . is waived.").

the prosecution history to prevent patentees from asserting equivalence as to subject matter they themselves surrendered reduces uncertainties as to claim scope, and "further insulates the doctrine from any feared conflict with the Patent Act." *Warner-Jenkinson*, 520 U.S. at 34.

For this reason, the Federal Circuit (and its predecessor, the Court of Customs and Patent Appeals) have consistently held—post *Keystone Driller*—that when a patentee clearly and unambiguously argues that its claims do not cover certain subject matter, the patentee should *not* be able to capture the same subject matter during litigation. For example, in *Coleco Indus.*, the C.C.P.A. explained that "[t]here is no practical reason to restrict . . . estoppel theory" to only claim amendments because the applicant's "ultimate goal in submitting amendments and offering arguments in support thereof is the securing of a patent." 573 F.2d at 1258 (C.C.P.A. 1978). Accordingly, the court, expressly relying on the rationale underlying this Court's decision in *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136 (1942), found "no reason not to extend the traditional estoppel doctrine beyond estoppel by amendment to estoppel by admission." *Coleco*, 573 F.2d at 1257-58. Likewise, in *Haynes*, the Federal Circuit rejected the argument that estoppel only applies in the context of an amendment because such an argument "exalts form over substance." 8 F.3d at 1579.

Accordingly, the Federal Circuit's uniform and well-settled jurisprudence concerning argument-based estoppel comports with this Court's precedent concerning the importance of prosecution history in assessing equivalence and should not be upset.

Finally, in *Festo*, this Court held that "courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community," particularly in the context of the application of the doctrine of equivalents and prosecution history estoppel. 535 U.S. at 729. The responsibility for changing such expectations rests with Congress, not the courts. *Id.*

Here, the Federal Circuit (and the Court of Customs and Patent Appeals) has consistently applied the doctrine of argument-based estoppel for decades. *See Coleco, Indus.*, 573 F.2d at 1257 (C.C.P.A. *1978*); *Haynes*, 8 F.3d at 1579 (Fed. Cir. *1993*); *Cortland,* 203 F.3d at 1360 (Fed. Cir. *2000*).

The inventing community (including Xerox) has specifically relied on the arguments and statements made by an applicant during prosecution to determine the appropriate scope of a claimed invention both literally and under the doctrine of equivalents. The inventing community includes not only patent holders, but third parties who seek to design around the claims of a patent. The innovation that flows from potential infringers having to design around the claims of a valid patent is one of the core benefits to society of the patent system. *State Indus., Inc. v. A.O. Smith Corp.*, 751 F.2d 1226, 1236 (Fed. Cir. 1985).

Thus, to overrule the doctrine of argument-based estoppel would upset well-settled law, constitute a "[f]undamental alteration[]" in the rules concerning the application of the doctrine of equivalents, and "risk destroying the legitimate expectations of inventors in their property." 535 U.S. at 739. Accordingly, for all the above reasons, this Court should reject AccuScan's suggestion to overrule the doctrine of argument-based estoppel.

CONCLUSION

For the foregoing reasons, Xerox urges the Court to deny AccuScan's petition for a Writ of Certiorari in its entirety.

Respectfully submitted,

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